

Low Income Home Energy Assistance Program (LIHEAP): Estimated Allocations

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Summary

The Low Income Home Energy Assistance Program (LIHEAP) is a block grant program under which the federal government gives annual grants to states, the District of Columbia, U.S. territories and commonwealths, and Indian tribal organizations to operate multi-component home energy assistance programs for needy households. This report contains two tables that show estimated LIHEAP allocations to the states. **Table 1** shows state allocations at various levels: (1) the amount appropriated for FY2006, (2) the amount appropriated for FY2007, (3) the amount appropriated in FY2008, and (4) estimated state allocations based on the amount requested by the President for FY2009. **Table 2** shows estimated state allocations at other hypothetical appropriations increments. For detailed information on how the LIHEAP formula allocates funds to the states, see CRS Report RL33275, *The LIHEAP Formula: Legislative History and Current Law*, by Libby Perl. This report will be updated when proposed funding levels change.

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Low Income Home Energy Assistance Program

The Low Income Home Energy Assistance Program (LIHEAP) is a block grant program under which the federal government gives annual grants to states, the District of Columbia, U.S. territories and commonwealths, and Indian tribal organizations to operate multi-component home energy assistance programs for needy households.¹ Established in 1981 by Title XXVI of the Omnibus Budget Reconciliation Act (P.L. 97-35), LIHEAP has been reauthorized and amended several times, most recently in 2005, when the Energy Policy Act (P.L. 109-58) reauthorized annual regular LIHEAP funds at \$5.1 billion per year from FY2005 to FY2007. The total LIHEAP appropriation in the FY2008 Consolidated Appropriations Act (P.L. 110-161) was approximately \$2.57 billion. In FY2007 Congress appropriated \$2.16 billion for the program (P.L. 110-5), and in FY2006, \$3.161 billion was appropriated for LIHEAP (P.L. 109-149 and P.L. 109-204), the largest amount ever appropriated for the program.

The LIHEAP statute provides for two types of program funding: regular funds and contingency funds. This report focuses on the distribution of regular funds, sometimes referred to as block grant funds, which are allotted to states according to methods prescribed by the LIHEAP statute.² The allotment method may change depending on the amount of funds appropriated by Congress. In both FY2007 and FY2008, \$1.98 billion was allocated to regular funds, and in FY2006, \$2.48 billion of the LIHEAP appropriation was distributed as regular funds. The second type of LIHEAP funding, called contingency funds, may be released and allotted to one or more states at the discretion of the President and the Secretary of Health and Human Services (HHS). The contingency funds may be released at any point in the fiscal year to meet additional home energy assistance needs created by a natural disaster or other emergency.³ Of the total appropriated for LIHEAP in FY2008, approximately \$590 million was for contingency funds.

LIHEAP Block Grant Funding Levels

In the FY2008 Consolidated Appropriations Act (P.L. 110-161), Congress appropriated \$1.98 billion for the LIHEAP regular fund. P.L. 110-161 contained an across-the-board rescission of 1.747% that reduced the stated amounts appropriated for most Departments of Labor, Health and Human Services, and Education programs.⁴ The \$1.98 billion appropriation for regular funds is the amount available after this rescission. The first distribution to the states of the regular funds appropriated in P.L. 110-161 occurred in December 2007. Then, on June 26, 2008, HHS announced that it would distribute funds that were thought to have been allocated to leveraging incentive and REACH grants in the FY2008 Appropriations Act as part of the regular fund formula grants. Since the early 1990s, leveraging incentive and REACH grants have been made to states and tribes on the basis of their ability to obtain non-LIHEAP resources for energy assistance (leveraging incentive grants) and for increasing energy efficiency of low-income households (REACH grants). In recent years, Congress has allocated around \$27 million for these two funds. However, in FY2008, P.L. 110-161 did not appropriate funds for leveraging incentive and REACH grants. When HHS discovered that language to appropriate the funds was missing

¹ For additional information on LIHEAP, see CRS Report RL31865, *The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding*, by Libby Perl.

² See Section 2604(a)-(d) of the Low Income Home Energy Assistance Act (Title XXVI of P.L. 97-35), as amended. The section is codified at 42 U.S.C. §8623(a)-(d).

³ Depending on how Congress appropriates them, contingency funds may remain available for distribution in more than one fiscal year or they may expire with the fiscal year for which they were appropriated.

⁴ See Division G, Section 528 of P.L. 110-161.

from the law, it released the \$26.7 million that would otherwise have been distributed as leveraging incentive and REACH grants as part of the LIHEAP formula distribution. The addition of nearly \$27 million to the formula grants caused the funds to be released under the “new” LIHEAP formula. For more information about how the LIHEAP formula distributes funds, see CRS Report RL33275, *The LIHEAP Formula: Legislative History and Current Law*, by Libby Perl.

Column (c) of **Table 1** shows the amount of funds that were initially allocated to the states in FY2008 before HHS discovered that the leveraging incentive grants had not been appropriated in P.L. 110-161. Column (d) shows the total distributed to the states on June 26, 2008, which includes the \$26.7 million in leveraging incentive grants. Column (b) of **Table 1** shows the amounts allocated to the states in FY2007. For FY2009, the President has requested a total of \$2 billion for LIHEAP; of this amount, \$1.7 billion would be allocated to regular funds. Column (e) of **Table 1** shows estimated allocations to the states at an appropriation of \$1.7 billion. Column (a) shows the amount allotted to each state in FY2006, when \$2.48 billion was appropriated for LIHEAP regular funds.

Following **Table 1**, **Table 2** shows estimated allocations to the states at various hypothetical appropriations levels. These amounts are \$1.75 billion, \$2.0 billion, \$2.25 billion, \$2.5 billion, \$2.75 billion, \$3.0 billion, \$4.0 billion, and \$5.1 billion (the amount at which LIHEAP regular funds were last authorized in P.L. 109-58).

Table 1. LIHEAP Actual State Block Grant Fund Allotments for FY2006, FY2007, and FY2008, and Estimated Allotments for FY2009

(\$ in millions)

State	FY2006 Actual Allotments: \$2.48 billion ^a (a)	FY2007 Actual Allotments: \$1.98 billion ^b (b)	FY2008 Allotments Prior to 6-26-08: \$1.98 billion ^c (c)	FY2008 Allotments After 6-26-08: \$1.98 billion ^d (d)	FY2009 Est. Allotments at President's Request: \$1.7 billion ^e (e)
Alabama	31.310	16.769	16.774	17.111	14.365
Alaska	12.572	10.704	10.707	10.828	9.169
Arizona	15.142	8.110	8.112	8.275	6.947
Arkansas	22.765	12.796	12.799	13.057	10.961
California	153.184	89.963	89.985	91.797	77.062
Colorado	31.729	31.367	31.375	31.729	26.869
Connecticut	47.809	40.920	40.930	41.754	35.052
Delaware	10.141	5.431	5.433	5.542	4.652
District of Columbia	7.852	6.355	6.356	6.484	5.444
Florida	49.542	26.534	26.541	27.075	22.729
Georgia	39.170	20.979	20.985	21.407	17.971
Hawaii	2.555	2.113	2.113	2.137	1.810
Idaho	14.370	12.235	12.238	12.376	10.481
Illinois	145.959	113.259	113.287	114.565	97.017
Indiana	53.986	51.280	51.293	51.872	43.927

State	FY2006 Actual Allotments: \$2.48 billion ^a (a)	FY2007 Actual Allotments: \$1.98 billion ^b (b)	FY2008 Allotments Prior to 6-26-08: \$1.98 billion ^c (c)	FY2008 Allotments After 6-26-08: \$1.98 billion ^d (d)	FY2009 Est. Allotments at President's Request: \$1.7 billion ^e (e)
Iowa	36.762	36.343	36.352	36.762	31.131
Kansas	26.798	16.690	16.695	17.031	14.297
Kentucky	44.347	26.686	26.693	27.230	22.859
Louisiana	32.010	17.144	17.148	17.494	14.686
Maine	26.815	26.509	26.516	26.815	22.708
Maryland	58.499	31.332	31.340	31.971	26.839
Massachusetts	82.797	81.853	81.873	82.797	70.115
Michigan	108.770	107.529	107.556	108.770	92.109
Minnesota	78.363	77.469	77.488	78.363	66.359
Mississippi	26.843	14.377	14.381	14.670	12.315
Missouri	59.541	45.240	45.251	45.762	38.752
Montana	16.856	14.351	14.355	14.517	12.293
Nebraska	21.109	17.973	17.978	18.180	15.396
Nevada	7.112	3.809	3.810	3.887	3.263
New Hampshire	18.197	15.493	15.497	15.672	13.271
New Jersey	77.540	75.988	76.007	76.865	65.091
New Mexico	11.925	10.153	10.156	10.360	8.697
New York	250.974	248.112	248.173	250.974	212.531
North Carolina	69.038	36.976	36.985	37.730	31.674
North Dakota	18.310	15.590	15.594	15.770	13.354
Ohio	122.259	100.194	100.219	101.350	85.826
Oklahoma	28.780	15.415	15.418	15.729	13.204
Oregon	24.591	24.311	24.317	24.591	20.825
Pennsylvania	134.810	133.273	133.306	134.810	114.161
Rhode Island	15.825	13.473	13.477	13.629	11.541
South Carolina	24.867	13.318	13.322	13.590	11.408
South Dakota	14.871	12.662	12.665	12.808	10.846
Tennessee	46.363	27.033	27.039	27.584	23.156
Texas	82.421	44.144	44.155	45.044	37.814
Utah	17.120	14.576	14.580	14.745	12.486
Vermont	13.639	11.613	11.616	11.747	9.947
Virginia	71.259	38.166	38.175	38.944	32.692
Washington	40.450	39.988	39.998	40.450	34.254
West Virginia	23.818	17.660	17.665	17.935	15.128

State	FY2006 Actual Allotments: \$2.48 billion ^a (a)	FY2007 Actual Allotments: \$1.98 billion ^b (b)	FY2008 Allotments Prior to 6-26-08: \$1.98 billion ^c (c)	FY2008 Allotments After 6-26-08: \$1.98 billion ^d (d)	FY2009 Est. Allotments at President's Request: \$1.7 billion ^e (e)
Wisconsin	70.538	69.733	69.750	70.538	59.733
Wyoming	6.854	5.836	5.838	5.903	4.999
Total	2,449.16	1,949.83	1,950.314	1,977.027	1,670.213

Source: Department of Health and Human Services (HHS) final allocations for FY2006, FY2007 and FY2008. Estimated allotments for FY2009 are CRS estimates based on factors provided by HHS.

Note: These estimates take into account current program practice where HHS sets aside funds out of the regular LIHEAP fund appropriation for the territories, training and technical assistance, leveraging incentive grants, and the Residential Energy Assistance Challenge Option Program (REACH). This has implications for the total amount of funds going directly to the states. For example, an appropriation of \$1.98 billion is estimated to result in \$1.95 billion in regular LIHEAP funds going directly to the states, after the amounts for these set-asides are subtracted from the total appropriation.

- The total regular fund appropriation for FY2006 was \$2.48 billion, \$1.98 billion of which was appropriated in P.L. 109-149, and \$500 million in P.L. 109-204. Initially, P.L. 109-149 appropriated \$2.0 billion for regular funds, but the amount was subject to a 1% across-the-board rescission, resulting in a \$1.98 billion appropriation (P.L. 109-148). In addition, both training and technical assistance and the leveraging incentive and REACH funds were reduced by 1% in column (a).
- Congress approved a year-long continuing resolution for FY2007 (P.L. 110-5), which was enacted on February 15, 2007. The law provided that LIHEAP receive the same amount of funds for FY2007 that was appropriated for FY2006 in P.L. 109-149, as reduced by a 1% rescission (P.L. 109-148).
- The initial allotments for FY2008 were slightly greater than for FY2007, despite the similar appropriations levels, due to a 1.747% across-the-board rescission for most Departments of Labor, Health and Human Services, and Education programs. See P.L. 110-161, Division G, Section 528. This meant that set asides for leveraging incentive and REACH grants, and for training and technical assistance, were slightly reduced from FY2007 levels.
- On June 26, 2008, HHS released an additional \$26.7 million in formula grants to the states. These funds had been set aside for leveraging incentive and REACH grants until HHS realized that Congress had not appropriated these funds in P.L. 110-161. As a result, distributions were re-calculated under the "new" LIHEAP formula, and additional funds were provided to the states.
- For FY2009, the President's budget would allocate \$27.225 million for leveraging incentive and REACH grants, and \$297,000 for training and technical assistance. The estimates at \$1.7 billion assume that these amounts would be set aside out of the regular LIHEAP fund.

**Table 2. LIHEAP Estimated State Allotments
at Hypothetical Block Grant Fund Appropriations Levels**

(\$ in millions)

State	\$1.75 billion (a)	\$2.0 billion (b)	\$2.25 billion (c)	\$2.5 billion (d)	\$2.75 billion (e)	\$3.0 billion (f)	\$4.0 billion (g)	\$5.1 billion (h)
Alabama	14.792	16.939	25.470	36.021	47.488	57.336	76.627	97.847
Alaska	9.442	10.812	11.392	12.673	13.955	15.236	20.363	26.002
Arizona	7.153	8.192	12.318	17.420	22.966	27.814	39.351	50.249
Arkansas	11.287	12.925	19.435	26.709	29.410	32.111	42.914	54.799
California	79.353	90.872	126.272	140.478	154.684	168.889	225.712	288.218
Colorado	27.668	31.684	31.729	31.729	34.791	37.986	50.766	64.825
Connecticut	36.094	41.333	41.392	42.753	47.077	51.400	68.694	87.717
Delaware	4.791	5.486	8.249	10.734	11.819	12.905	17.246	22.022
District of Columbia	5.605	6.419	6.857	7.629	8.400	9.171	12.257	15.652
Florida	23.405	26.802	40.301	56.997	75.140	91.004	134.996	175.001
Georgia	18.505	21.191	31.864	45.065	59.410	71.952	106.735	138.365
Hawaii	1.864	2.134	2.248	2.501	2.754	3.007	4.019	5.132
Idaho	10.792	12.359	13.021	14.486	15.951	17.416	23.275	29.721
Illinois	99.901	114.403	114.565	118.401	130.374	142.347	190.240	242.922
Indiana	45.232	51.798	51.872	54.540	60.055	65.571	87.632	111.899
Iowa	32.057	36.710	36.762	36.762	36.762	36.762	43.050	54.971
Kansas	14.722	16.859	24.526	27.285	30.044	32.803	43.840	55.980
Kentucky	23.539	26.956	37.463	41.677	45.892	50.107	66.965	85.509
Louisiana	15.122	17.317	26.039	36.826	46.325	50.579	67.597	86.316
Maine	23.383	26.777	26.815	26.815	26.815	26.815	28.625	36.551
Maryland	27.636	31.648	47.588	59.764	65.808	71.851	96.026	122.618
Massachusetts	72.199	82.680	82.797	82.797	82.797	90.332	120.724	154.156
Michigan	94.847	108.616	108.770	114.820	126.431	138.042	184.486	235.575

State	\$1.75 billion (a)	\$2.0 billion (b)	\$2.25 billion (c)	\$2.5 billion (d)	\$2.75 billion (e)	\$3.0 billion (f)	\$4.0 billion (g)	\$5.1 billion (h)
Minnesota	68.332	78.251	78.363	78.363	78.363	78.363	78.363	90.633
Mississippi	12.682	14.522	21.837	27.293	30.053	32.813	43.853	55.996
Missouri	39.904	45.697	55.406	61.639	67.872	74.105	99.038	126.464
Montana	12.659	14.496	15.273	16.991	18.709	20.428	27.300	34.861
Nebraska	15.853	18.155	19.127	21.279	23.431	25.583	34.190	43.658
Nevada	3.360	3.847	5.785	8.182	10.786	13.064	19.379	25.121
New Hampshire	13.666	15.650	16.488	18.343	20.198	22.053	29.472	37.634
New Jersey	67.026	76.756	76.865	76.865	77.141	84.225	112.563	143.734
New Mexico	8.956	10.256	13.934	15.501	17.069	18.636	24.906	31.804
New York	218.850	250.618	250.974	250.974	250.974	252.031	336.827	430.102
North Carolina	32.615	37.350	56.161	78.646	86.599	94.552	126.364	161.357
North Dakota	13.751	15.747	16.591	18.457	20.324	22.190	29.656	37.869
Ohio	88.377	101.207	101.350	111.388	122.652	133.916	178.972	228.534
Oklahoma	13.597	15.570	23.412	33.111	39.479	43.105	57.607	73.560
Oregon	21.444	24.557	24.591	24.879	27.395	29.911	39.974	51.044
Pennsylvania	117.555	134.619	134.810	134.810	140.646	153.563	205.229	262.062
Rhode Island	11.884	13.610	14.339	15.952	17.565	19.178	25.631	32.728
South Carolina	11.748	13.453	20.228	28.608	37.715	42.282	56.508	72.157
South Dakota	11.168	12.790	13.475	14.991	16.507	18.023	24.086	30.756
Tennessee	23.844	27.306	41.058	50.724	55.854	60.983	81.501	104.071
Texas	38.938	44.590	67.047	94.823	125.009	151.400	224.589	291.143
Utah	12.857	14.724	15.513	17.258	19.003	20.748	27.729	35.407
Vermont	10.243	11.730	12.358	13.749	15.139	16.529	22.091	28.208
Virginia	33.664	38.551	57.967	69.555	76.589	83.622	111.757	142.705
Washington	35.272	40.392	40.450	40.450	44.062	48.109	64.295	82.100
West Virginia	15.577	17.839	21.296	23.692	26.087	28.483	38.066	48.608

State	\$1.75 billion (a)	\$2.0 billion (b)	\$2.25 billion (c)	\$2.5 billion (d)	\$2.75 billion (e)	\$3.0 billion (f)	\$4.0 billion (g)	\$5.1 billion (h)
Wisconsin	61.509	70.438	70.538	70.538	70.538	70.538	83.632	106.792
Wyoming	5.148	5.895	6.211	6.910	7.608	8.307	11.102	14.176
Total	1,719.868	1,969.529	2,219.191	2,468.852	2,718.513	2,968.175	3,966.821	5,065.331

Source: Congressional Research Service (CRS) calculations based on factors provided by the Department of Health and Human Services (HHS) in May 2007.

Note: For each of these estimates, \$27.5 million for leveraging incentive grants, \$300,000 for training and technical assistance, and the estimated grants to the territories have been removed from the total hypothetical grant amounts.

Author Information

Libby Perl
Analyst in Housing Policy

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